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SUBJECT: DIVERGENT PARTY CONVENTIONS UNITE CATALAN PARTIES

BARCELONA 00000076 001.2 OF 003

SUMMARY

11. (SBU) "We love you a lot, Mr. Zapatero, but we love Catalonia even more," declared Generalitat and PSC president Jose at the close of the PSC eleventh party congress. For the PSC, Montilla's words were especially poignant, a sign that their responsibilities of governing Catalonia would take some priority over supporting their co-religionists in Madrid. Substantial policy differences between the PSC and the PSOE also emerged as the Catalans refused to follow PSOE's sharp turn to the left. This new push to claim the center reflects the unusual electoral situation for the PSC, which does not battle for votes with the Popular Party of Catalonia (PPC), but with nationalist, center-right coalition Convergence and Union (CiU). At their party convention the Democratic Convergence of Catalonia (CDC), the majority party of CiU, emphasized a "big tent" form of nationalism that seeks to welcome the entire nationalist spectrum, from moderates who favor the status quo to those who favor outright independence. The Republican Left (ERC), the other independence party, one of PSC's coalition partners in the tripartite government (Govern), attempted to address why it has lost so many votes since 2006. The ultimate winner of a four-way presidential race ran on a "stay the course" platform, but with a bare plurality, new president Joan Puigcercos will not lead with a mandate and will have to carefully balance the demands of the ERC's partners and his intra-party critics. The convention of the PPC (PPC) was extremely contentious, as their newly-elected president was practically forced upon them by the national leadership. The PPC's major problem is that many Catalans perceive them to be actively undermining Catalonia's interests, hardly a winning strategy in a region with a strong national spirit.

12. (SBU) While Catalan parties used the summer to sort out internal issues and re-position themselves vis-a-vis each other, this fall will see them work together to some degree to wrest even more autonomy from Madrid. First, the PSOE-led Spanish government and the PSC-led Generalitat are negotiating the terms of a new system for financing the Catalan government. Catalonia regularly provides more revenue to the central government than it receives in services; thus, all the parties except for the PPC, are in favor of receiving more money from the central government. The other point of contention continues to be implementation of the Estatut (Statute) governing relations between Catalonia and Madrid. Approved via referendum in 2006, the Estatut granted increased powers to the Generalitat, including its own police force. It was, however, immediately challenged in the Constitutional Tribunal (TC), Spain's highest constitutional authority. The TC is expected to issue a final ruling on the Estatut this fall. In their conventions, the parties called on the TC to keep the Estatut intact, though they have not outlined concrete plans in the event it receives a

negative ruling. END SUMMARY

PSC: Catalonia First

13. (SBU) At its party congress this summer, the Socialist Party of Catalonia (PSC), long accused by the nationalist parties of putting PSOE ahead of Catalonia, struck an independent tone from PSOE in hopes of shoring up support. On the ideological front, the PSC's centrist move was mainly intended to seize the center from CiU. In their platform, the PSC did not call for wider access to abortion, support for euthanasia, nor removal of religious symbols from official ceremonies and schools, which were all moves PSOE made just weeks before. However, this was not just a political move, as historically the PSC has had a less confrontational attitude with the Catholic Church in Catalonia than PSOE does with the wider Spanish Church. This difference is attributed to the close relationship the Catalan Socialists have with the progressive sections of the Catalan Church, which date back to the Franco era, as well as the overall reputation for moderation that the Catalan bishops have.

While the PSC's newfound moderate attitude is an important development for the party, more surprising is its more confrontational stance with PSOE. Vowing that they would aggressively pursue a fairer financing scheme for Catalonia, the PSC seeks to neutralize one of CiU's most effective weapons against them. At the same time, however, the PSC realizes that they must balance demands from PSOE and Catalonia. Although the PSC is technically an independent party, it has sat with PSOE in the same parliamentary group in the Congress of Deputies. While some sections of the party seek for it to have its own group, the leadership realizes that this, and other 'separatist' actions can damage both parties. If PSC completely breaks away, PSOE would have to form a Catalan federation of its own, the way it operates in the rest of Spain, and something it has not had since 1978. This would most likely lead to the defeat of both parties at the national and regional levels. Thus, the PSC seeks

BARCELONA 00000076 002.2 OF 003

balance in order to maintain power both in Catalonia, and with PSOE in Madrid.

ERC: Where Do We Go From Here?

14. (SBU) The leftist, independence party, the ERC scored surprising electoral victories in the early part of the decade, enabling it to join the PSC-led coalition in the Govern in 2003 and 2006. Since then, however, the ERC has suffered a large drop in votes, going from 8 seats to 3 in the Congress of Deputies after the March 2008 elections. After this defeat, party president, Josep Lluís Carod Rovira resigned that office, though he remained Vice President of the Generalitat. The internal struggle to replace him was a proxy battle over the future direction of a party seeking to regain its popularity.

15. (SBU) A bitter 4-way race for the top two party positions, evolved, pitting two "stay-the-course" tickets against two "new direction" tickets. The winners, Joan Puigcercos for president and Joan Ridao for general secretary, won on a platform to largely continue the party's current policies, albeit their low share of the rank-and-file's vote (37.2% and 37.5% respectively) was not a solid endorsement of their views. Indeed, the presidential runner-up, Joan Carretero, campaigned as a harsh critic of both Carod and Puigcercos' policies, especially in regards to the party's relation with the PSC. Many in the ERC feel the Socialists compromised too much with Madrid over the Estatut, so much so that the ERC called for a 'no' vote on the referendum. In dealing with these critical factions, Puigcercos has vowed to mark three lines the Govern cannot cross without losing the ERC's support. These are: unwavering support for the current Estatut; promotion of Catalan language and culture, including having Catalonia's 1= million new arrivals learn Catalan; and a new finance regime that allocates more tax revenue for Catalonia. To further appease intra-party critics, Puigcercos said he will ask President Montilla for a formal meeting between the tripartite partners to "evaluate the

accomplishments" of the coalition. It is clear that Puigcercos will have to carefully balance the demands from both his coalition partners and critics inside the party. Failure to do so could lead to the dissolution of the Govern and even harder times for the ERC.

ICV: A Third, But Important, Wheel

¶16. (SBU) The third member of the tripartite coalition, also known as the Entesa Catalana de Progres, the ICV, did not hold a convention this summer, opting instead to convene next year. The ICV, while not independence-minded, desires more power for Catalonia, and largely supports the Socialists on most issues. However as a Green party, they are stern critics of the PSC's environmental policies. ICV leader and Catalan Councilor for the Interior, Joan Saura, often tries to maintain balance between the PSC and ERC.

CDC: Fighting an Uphill Battle

¶17. (SBU) CDC, the majority party of CiU, has focused on recovering the presidency of the Generalitat since they were unable to win a majority in 2006. CDC's convention this summer underlined a party strategy that will mostly continue its current policies with minor adjustments. Among these slight tweaks was the adoption of party leader Artur Mas's pet project of "the great house Catalan-ism" (la casa gran del catalanisme). It is an attempt to make the party appear more welcoming of the different strands of Catalan nationalism, thus trying to expand its electorate and regaining a majority in the Generalitat. The party's platform does not explicitly call for independence, though it does emphasize Catalonia's right to self-determination and vaguely foresees Catalonia as a free and sovereign state in 21st century Europe. CiU will also have a seat at the negotiating table this summer and fall as the regional and national governments wrangle over a new financing system.

¶18. (SBU) In a perennial move, the CDC reiterated its desire to completely merge with rightist Democratic Union of Catalonia (UDC) into a single party, which UDC, again, flatly refused, although it has not held a convention this summer. However, the two will continue as partners in CiU. The CDC also opted for more inclusion of the rank-and-file in decision-making, stating that the executive committee will consult with the membership on those matters of vital political transcendence, but their opinion will not be binding. Long accustomed to being perceived as the socially centrist choice among Catalan parties, it is not yet clear how the CDC will respond to the PSC's move to the middle.

PPC: Down but Not Quite Out

BARCELONA 00000076 003.2 OF 003

¶19. (SBU) The PPC, the Popular Party's Catalan subsidiary, is plagued by the same problems faced by the national party: unpopular leaders pushing unpopular ideas. For example, party members arrived at their convention to find that national PP president, Mariano Rajoy, had unilaterally imposed a last-minute candidate for PPC president, Alicia Sanchez-Camacho, a senator from Girona. Rajoy also dispatched the new PP Secretary for Organization, Ana Mato to persuade the other candidates, bitter rivals Alberto Fernandez-Dmaz and Daniel Sirera to drop their bids. Still, a fourth candidate, Montserrat Nebrera, refused to end her candidacy, and in the final vote, lost to Sanchez-Camacho by a slim 53%-47% vote.

¶10. (SBU) Still, unpopular leaders are not the PPC's only obstacle to winning elections. In 2006, the PP opposed the Estatut for the complete opposite reason as the ERC; they claimed it gave too much autonomy to Catalonia. This is but one instance in which the PP was thought by most Catalans to be working against Catalonia's interests. In a region dominated by fervent nationalists, undermining Catalonia is hardly a winning strategy. If the entire goal of a political party is to win elections, the PPC has to drastically reform the way it does

business if it ever hopes to govern Catalonia.

COMMENT

¶11. (SBU) As in many other ways, Catalan politics differ markedly from the rest of Spain, a product of the strong Catalan national spirit that has seen a resurgence in the past three decades of democracy. Still, despite this deep-seated nationalism, less than a third of Catalans support full independence from Spain. In Barcelona, the beating heart of Catalan politics and economy, support is even lower. It is difficult to imagine Spain without Catalonia and impossible to imagine Catalonia without Barcelona. Why, then, are the Catalan parties strongly advancing even more autonomy? Why are the Catalan Socialists pushing against PSOE, ranking "Catalan" over "socialist"? The answer is that while the vast majority of Catalans do not want independence, they do want respect from the rest of Spain. They want recognition of the importance of the region in the Spanish context - that they pay more into the system than they get out of it, that they are, at least in their own minds, the hardest working, most productive, and most efficient. We also believe they want acceptance of Catalonia as a people with a different "story", much like the Basques or the Galicians, that make them unique in Spain. And recent history indicates that Madrid is ready to give them that respect, as the development of the Estatut showed. The central government voluntarily limited its power over the region, allowing the Catalans to police and educate themselves. Now, despite much bickering and hand wringing on all sides, most signs point to a new financing system that allows them to better fund themselves.

¶12. (SBU) Since presiding over the Generalitat, the PSC has fully acknowledged that this desire for respect exists, and that to keep power, they must accommodate it. However, as the next regional elections (scheduled for 2010) approach, the PSC will have to strike careful balances, not only between PSOE and Catalonia, but between its left flank and the need to win the center. To some extent, the tripartite alliance is a real boon, as the PSC's partners, the ERC and ICV, will mostly likely pick up the leftist votes lost by the Socialists' attempt at the middle. This complicates things enormously for the CiU, which lacks a similar arrangement on the right. The PPC, though an occasional ally in the past, is so fraught with its own problems that it can provide little support; even should both parties desire it. In this light, the CiU's new policy of big-tent nationalism comes across as an aggressive electoral strategy to woo the staunch independents of the ERC, and win an absolute majority. In addition to placing nationalism at the forefront, the CiU can also hope that Spain's current economic woes, expected to last well into 2009, tarnish the incumbent Socialists enough to win. Indeed it may be that this is CiU's best hope, since the resolution of the Estatut and successful negotiations for a new finance system may fulfill Catalonia's desire for greater respect. END COMMENT
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